

Message Text

CONFIDENTIAL

PAGE 01 PRAGUE 02148 041541Z

50

ACTION L-03

INFO OCT-01 EUR-25 ISO-00 FCSC-01 CEA-02 FRB-03 EB-11

CIAE-00 INR-11 NSAE-00 RSC-01 SS-20 NSC-07 CIEP-03

SP-03 OMB-01 TRSE-00 DRC-01 /093 W

----- 021642

P R 041500Z SEP 74

FM AMEMBASSY PRAGUE

TO

SECSTATE WASHDC PRIORITY 6878

AMEMBASSY BRUSSELS PRIORITY

AMCONSUL ZURICH

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY PARIS

C O N F I D E N T I A L PRAGUE 2148

BONN FOR GOLD COMMISSIONER CROWLEY

E.O. 11652: GDS

TAGS: PFOR, EFIN, CZ, BE, SZ

SUBJECT: US/CSSR CLAIMS AGREEMENT: GOLD TRANSFER AND
PAYMENTS TO US

REF: STATE 176410

1. CHARGE AND EMBOFF CALLED ON MFA SIXTH DEPARTMENT CHIEF (ZANTOVSKY) AT LATTER'S REQUEST TO DISCUSS ANNEXES A AND B TO US/CZECH CLAIMS SETTLEMENT. ZANTOVSKY SAID THAT CZECH SIDE HAD REVIEWED BOTH ANNEXES AND FOUND THEM FULLY ACCEPTABLE IN SUBSTANCE, ADDED THAT ONLY MINOR TECHNICAL WORDING CHANGES WERE NECESSARY, AND PROVIDED CHARGE WITH WRITTEN PROPOSAL FOR REQORDING (REPORTED BELOW, PARA 4).

2. ZANTOVSKY RAISED TWO MATTERS WITH RESPECT TO TECHNICALITIES OF GOLD TRANSFER. THE FIRST, RELATING TO ANNEX A, PARAGRAPH 1, CONCERNED THE DEFINITION OF "...ALL APPROPRIATE DOCUMENTS...", WHICH WERE YET UNDEFINED. THE SECOND
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PRAGUE 02148 041541Z

MATTER HAD TO DO WITH THE DRAFT DELIVERY ORDER FOR

GOLD WHICH, ZANTOVSKY INDICATED, WOULD HAVE TO BE DRAWN UP TO INCLUDE DETAILED SPECIFICATIONS OF THE GOLD (E.G. NUMBERS OF GOLD BARS) ACCORDING TO WHAT HE TERMED NORMAL BANK PRACTICES.

3. REFERRING TO CSSR AIDE MEMOIRE OF JULY 24 WITH CSSR NOTE TO BRITISH AND LETTER TO TGC AS ENCLOSURES, ZANTOVSKY ASKED USG AS TGC MEMBER TO PROMPT TGC TO REPLY TO CSSR LETTER OF JULY 24 INFORMING TGC OF CLAIMS SETTLEMENT AND INTENT TO PREPARE FOR TRANSFER OF GOLD TO SWISS BANK. NOTING THAT DETAILS RELATING TO PHYSICAL TRANSFER AND RELEASE OF GOLD HAD BEEN LEFT OPEN IN CSSR LETTER, REFTEL PARAGRAPH 4), ZANTOVSKY HOPED THAT WE ALSO MIGHT PAVE THE WAY FOR A CSSR EXPERT TO CONSULT WITH TGC AND SWISS BANK DURING WEEK OF SEPTEMBER 9. IT WAS CZECH ASSUMPTION THAT EXPERT WOULD BE ABLE TO TRAVEL TO BRUSSELS AND GENEVA WITH THE UNDERSTANDING THAT PROVISIONS OF ANNEXES A AND B WERE ACCEPTABLE TO TGC.

4. FOLLOWING ARE CHANGES SUBMITTED BY CZECHS:

ANNEX A:

PARAGRAPH 1: CZECHS REQUEST DEFINITION "ALL APPROPRIATE DOCUMENTS."

PARAGRAPH 2: "THE DELIVERY ORDER SHOULD BE MADE OUT IN THE NAME OF THE STATNI BANKA CESHOSLOVENSKA/STATE BANK OF CZECHOSLOVAKIA" INSTEAD OF "THE MINISTRY..."

PARAGRAPH 3: WORD "COMMISSION" SHOULD REPLACE "COMMISSIONER" IN FOLLOWING TEXT: "...WILL HAND OVER TO THE AMBASSADOR OF THE CZECHOSLOVAK SOCIALIST REPUBLIC AT BRUSSELS A LETTER FROM THE TRIPARTITE GOLD COMMISSIONER ANNOUNCING ..." (IN PARAGRAPH 6 OF REFTEL AS RECEIVED, ANNEX A PARAGRAPH 3 READS "COMMISSIONER," WHICH EMBASSY BELIEVES MAY BE TYPOGRAPHICAL ERROR.)

AGAIN PARAGRAPH 3: AFTER WORDS "...AND DRAFT DELIVERY ORDER..." INCLUSION OF "WITH DELIVERED SPECIFICATION" FOLLOWED BY "... OF 10,397.3164 KILOGRAMS OF GOLD AND COINS..."

PARAGRAPH 4: CHANGE REFERENCE TO "STATNI BANKA CESHOSLOVENSKA/STATE BANK OF CZECHOSLOVAKIA" INSTEAD OF "MINISTRY OF FINANCE..."

PARAGRAPH 5: CHANGE TEXT TO "...THE ORIGINAL OF THE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PRAGUE 02148 041541Z

DELIVERY ORDER WITH SPECIFICATION SIGNED BY THE THREE COMMISSIONERS..."

PARAGRAPH 7: CHANGE TEXT TO "...TO THE ACCOUNT OF THE STATNI BANKA CESHOSLOVENSKA/STATE BANK OF CZECHOSLOVAKIA IN FAVOR OF THE GOVERNMENT OF THE CZECHOSLOVAK REPUBLIC..." INSTEAD OF "TO THE ACCOUNT OF THE GOVERNMENT OF THE CZECHOSLOVAK REPUBLIC."

ANNEX B:

(FIRST THREE CHANGES REFER TO DRAFT LETTER.)

A. "... A SIGNED ORIGINAL DELIVERY ORDER WITH SPECIFICATION AUTHORIZING..."

B. "... TRANSFERS THE 18,400 KILOGRAMS OF GOLD CORRESPONDING TO THE SPECIFICATION ATTACHED TO THE DELIVERY ORDER IN THE BOOKS OF THE BANK..."

D. "... TO THE ACCOUNT OF THE STATNI BANKA CESHOSLOVANSKA/ STATE BANK OF CZECHOSLOVAKIA IN FAVOR OF THE GOVERNMENT OF THE CZECHOSLOVAK SOCIALIST REPUBLIC..." INSTEAD OF "TO THE ACCOUNT OF THE GOVERNMENT..."

D. (IN PARAGRAPH 4 OF ANNEX B): "... TO THE ACCOUNT OF THE STATNI BANKA CESHOSLOVANSKA/STATE BANK OF CZECHOSLOVAKIA IN FAVOR OF THE GOVERNMENT OF THE CZECHOSLOVAK SOCIALIST REPUBLIC..." INSTEAD OF "TO THE ACCOUNT OF THE GOVERNMENT..."

5. ZANOTVSKY SAID THAT THE CZECHS HAVE ACCEPTED THE CHANGES AND ADDITIONS TO ANNEX B WHICH WE PROPOSED (STATE 187890) I.E. SUPPLEMENTING THE DATE AND FUNCTIONS OF THE PERSON TO SIGN A LETTER ADDRESSED TO THE SWISS BANK CORPORATION AND CORRECTING THE SUM TO DOLLARS \$2,869,868.10 WHEREVER USED IN ANNEX B TEXT. EMBASSY WOULD LIKE TO REPLY TO CZECHOSLOVAK REQUEST FOR DEFINITION OF "ALL APPROPRIATE DOCUMENTS" (SEE ABOVE PARAGRAPHS 2 AND 4) PRIOR TO DEPARTURE OF CZECH EXPERTS TO BRUSSELS AND GENEVA AND THUS REQUESTS DEPARTMENT'S ASSISTANCE IN FURNISHING DETAILS. WE ALSO WOULD APPRECIATE DEPARTMENT'S COMMENTS ASAP WHETHER TGC REPLY TO CSSR JULY 27 LETTER CAN BE EXPECTED, AND WHETHER AND TO WHAT EXTENT USG WILLING TO HELP PREPARE FOR CZECH EXPERT'S MEETINGS WITH TGC AND SWISS BANK CORPORATION.
PERRY

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENT DRAFT, TEXT, DEBT AGREEMENTS, NEGOTIATIONS, MONETARY GOLD
Control Number: n/a
Copy: SINGLE
Draft Date: 04 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974PRAGUE02148
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740244-1199
From: PRAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740976/aaaacmbb.tel
Line Count: 145
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION L
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: STATE 176410
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 02 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 APR 2002 by collinp0>; APPROVED <27 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US/CSSR CLAIMS AGREEMENT: GOLD TRANSFER AND PAYMENTS TO US
TAGS: PFOR, EFIN, CZ
To: n/a
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005